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SUBJECT: BRAZILIAN RESPONSE TO ARGENTINE PRELIMINARY PAPER ON  
2005 SUMMIT OF THE AMERICAS

REF: 04 STATE 272256

1. Emboff delivered reftel non-paper to Brazilian Deputy Summit of the Americas Coordinator Afonso Sena Cardoso in a February 24 meeting. Cardoso welcomed the U.S. comments on the Argentine paper and reciprocated in kind, handing us a non-paper with GoB observations on the Argentine paper (translation in paragraph 2 below). Cardoso did not comment in detail on the U.S. paper, but said he had found the U.S. general comments much more focused on the final declaration than on the Argentine paper itself. That said, he suggested Itamaraty had liked the U.S. idea of an annex with more specific comments and might draft a similar document. Cardoso emphasized the GoB was quite pleased with the Argentine choice of topic, which he believed spark substantive discussion.

2. Begin text of unofficial Embassy translation of GoB non-paper:

"Brazilian Comments on the document 'Creating Jobs to Fight Poverty and Strengthen Democratic Governance' (Doc. XXXVI CRIC/SIRG/3/04 of 16/9/2004)

Once again Brazil congratulates Argentina for its choice of the topic of generating jobs as an instrument to reduce poverty and strengthen democratic governance for the Fourth Summit of the Americas, to be held in said country next November.

Because of its crosscutting nature, the creation of decent jobs contributes directly to social integration and achievement of the objectives defined in the scope of the Summit of the Americas for the promotion of democracy and social integration, while at the same time providing new momentum to the implementation of mandates from three prior summits, the Monterrey Declaration on Financing of Development and achievement of the Millennium Goals to which we are all committed.

Upon examination of the subject, two aspects [of the issue] should be equally emphasized: promotion, on the domestic front, of conditions that guarantee effective access to decent jobs, and the necessity of reinforcing international cooperation to overcome obstacles to creation of these conditions. This is about, as agreed in the Monterrey Consensus, complementing domestic efforts with international solidarity.

Despite efforts by countries in the region to reduce poverty through sustained economic growth and sustainable development with a view to an inclusive and more equitable global economic system, more than 50 million people in Latin America and the Caribbean live on less than US\$1.00 a day. Human vulnerability indicators are still among the highest in the world. They are exposed to greater vulnerability by international shocks, barriers to market access for exports and insufficiency, unpredictability or inadequacy of external financing flows.

Promotion of economic growth with social inclusion is essential for accomplishment of the Millennium Goals and development for all. Growth demands capacity to invest in infrastructure and social programs on which formation of human capital and full exercise of citizenship depend. Trade, official development assistance, transfers, financial flows and direct investment, however, need to be tailored to each case, and adjust themselves to the scale of necessities for growth with equity.

It's therefore very timely to elaborate on the Social Dimension of Globalization report, coordinated by the presidents of Finland, Tarja Halonen, and of Tanzania, Benjamin Mkapa, under the auspices of the ILO. The concept of a "decent job" combines the due priority given to job creation while safeguarding fundamental workers' rights with the reinforcement of social protections, renewal of societal dialogue and perspectives on gender. Social inclusion ideally is achieved through a decent job, not through mere handouts. It cannot, it should not, under these terms, serve as a pretext for protectionist initiatives harmful to the interests of the workers themselves.

It's worth remembering that in Latin America and the Caribbean, the decent jobs deficit was estimated, in 2002, at 93 million jobs. The contingent of people directly affected

represents 51% of the economically active population.

The concept of a "decent job" or "quality job" highlights - as pointed out by President Lula in a meeting of the cited Commission in New York last September - the necessary condition of the eradication of hunger and poverty, the first of the Millennium Goals. The right and access to work that dignifies the human being is a starting point for "another globalization, one that is socially just and politically sustainable." The correction of imbalances aggravated by globalization requires domestic measures and international cooperation centered around overcoming the world governance deficit. The debate on the subject cannot ignore, consequently, questions like market access, special and differentiated treatment of asymmetries, elimination of subsidies and measures with equivalent distorting effects on trade, and the so-called Innovative Financial Mechanisms.

On the other hand, the primary importance of professional training must be recognized, with emphasis given to education, and professional education in particular, as part of the process conducive to social integration and strengthening of citizenship. These professional training objectives should be integrated with broader policies to promote job creation and increased incomes, in conjunction with policies for education, development, innovation and technological training. Therefore, it would be difficult to create jobs, deal with poverty and strengthen democratic governance without improving teaching of sciences, making extensive use of science, applying appropriate technology and introducing innovation into all levels of society.

Given the nature of the central theme of Summit IV, the preparatory process for the XIV Interamerican Conference of Labor Ministers in Mexico, as well as the preparatory meetings in April (Work Groups on Social Dimensions of Globalization and Strengthening Labor Administration) and July, will take on particular importance.

These issues have repercussions on the domestic front as do concerns expressed by participants in the Summit of the Americas regarding the need to equally debate problems like informal work and its consequences on access by the worker to social services and exercise of citizenship, and, at the same time, budget execution and cost of these social rights.

The preparatory session and the VI Ministerial meeting on Transportation Initiatives in the Western Hemisphere (ITHO), will also certainly bring new contributions to be examined with questions related to infrastructure, of interest to the Summit.

The central theme of the IV Summit of the Americas echoes the concern highlighted by the UNDP study about democracy in Latin America and the direct effects of inequality, poverty and social exclusion on the degree of confidence in the political system. This study was, in fact, redone and expanded in a seminar sponsored by UNDP and the Brazilian government last December in Brasilia.

The debate of other unquestionably important questions like tackling corruption, should be done without preset limitations, in order to encompass public and private sectors, as set forth in the final document of the 2004 Extraordinary Summit in Mexico. This should be included in the discussion of subjects like effective exercise of democracy with full participation of the citizenry and transparency of government action. The same consideration should be given to the entry of youth in the workplace, the solidarity economy ("economia solidaria"), benefits of micro-credit and the role of small and medium-sized enterprise in job creation.

This study should envision, finally, the opportunity to reaffirm on the international agenda, questions like the need for improvement of the mechanisms of the state to increase the effectiveness of public management, which is an essential instrument for the realization of democratic will, and especially, for labor administration. We should remember that regulations, if not infrastructure development, worker capability and affirmation of the citizen, along with protection of human rights, strongly condition the formation and maintenance of an environment better adapted to the realization of productive investments, and depend largely on the Public Sector's capacity to respond.

End text of translation.

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